



Langley Research Center

OFFICE OF HUMAN RESOURCES

Employee Performance Communication System

**Multi-Level Performance Management System
Employee Briefing Package**

November 2004



Rationale

- **Human Capital Performance Fund
(Administration's pay-for-performance initiative)**
 - Designed to reward Agency's top 15% high performers
- **One NASA Recommendations**
 - Use employee performance plans to ensure understanding of employee alignment with Agency vision, mission, & strategy
- **NASA Strategic Human Capital Plan improvement initiative**
 - Assure performance management system focuses on accountability for results



Rationale (cont'd)

- **Government-wide Human Capital Standards for Success for Results-Oriented Performance Culture**
 - President's Management Agenda initiative for Human Capital focusing on results-oriented performance culture
 - Agency performance management system:
 - effectively differentiates between high and low performance
 - Links individual/team/unit performance to organizational goals and desired results



Agency-wide Development Team

Center, Enterprise and HQ representatives

- Line managers
- Union representatives (AFGE/IFPTE)
- HR specialists
- E.O. specialists
- Attorneys
- Began work in March 2004
- Completed design and implementation strategy in June 2004
- Negotiation with national and local unions



Guiding Principles

- Retain “Vision” for current system – Fair, Simple and Relevant
- Minimize changes
- Emphasize communication
- Link to Strategic Plan
- Involve employees
- Cascade SES performance factors



System Components

- **Critical and Non-critical Elements**
 - **Critical**
 - Work assignment or responsibility of such importance that unacceptable performance in that element would result in a determination that the overall performance is unacceptable.
 - Used to measure individual performance
 - **Non-critical**
 - Measures a dimension or aspect of individual, team, or organizational performance
 - May include objectives, goals, program plans, work plans
 - Failure in a non-critical element does not result in overall unacceptable rating



Elements

- Performance standard described at the “Meets” level
- Three element ratings levels:
 - **Significantly Exceeds Expectations**
 - Consistently exceeds standard to an exceptional degree
 - **Meets or Exceeds Expectations**
 - Broad range of performance that a minimum fully meets or may exceed the standard
 - **Fails to Meet Expectations**
 - Fails to meet the standard



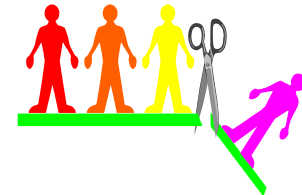
Summary Rating Levels

- **Distinguished**
 - Denotes “top-performers”
 - Must significantly exceed expectations for all performance elements
 - Must be approved at a level above rater
- **Meets or Exceeds Expectations**
 - Broad range of performance achievement
- **Fails to Meet Expectations**
 - Must be approved at a level above rater
 - Level that supports reassignment, reduction in grade, or removal based on performance
 - Assigned based on failure to meet a critical element but not assigned based on failure in a non-critical element



Summary Rating Levels

- **Distinguished**
 - Denotes “top-performers”
 - Must significantly exceed expectations for all performance elements
 - Must be approved at a level above rater
 - No quotas on summary ratings – prohibited by 5 CFR 430.208(c)
- **Meets or Exceeds Expectations**
 - Broad range of performance achievement
- **Fails to Meet Expectations**
 - Must be approved at a level above rater
 - Level that supports reassignment, reduction in grade, or removal based on performance
 - Assigned based on failure to meet a critical element but not assigned based on failure in a non-critical element





Employee Role

- Employee as “Partner”
 - Initial input to performance plan
 - Review of draft plan
 - Progress reviews
 - Rating input – summary of accomplishments
 - Required by NASA performance system
 - Addresses accomplishments as measured in elements and standards
 - Input is attached to rating – becomes part of the record
 - Discussion of training/development needs



Linkage with Employee Development

- Assessment of development needs is linked with performance assessment
- Training and development should be clearly linked to strategic goals of the organization
 - Labor charging
 - Training expenditures
 - Pressure to show return on investment – identify business objective in training plan
- Center '05 Training Budget severely reduced – will have to prioritize/strategize
- Call will be issued during week of 11/1/2004



Standard Agency-wide Cycle

- Implementation October 1, 2004
- Standard Cycle – 1 May through 30 April
- Results used in assessing SES employees in June
- All employees receive rating under new system April 2005
- Center has operated with maximum flexibility in the past
- Twelve different cycles
- Tentative plan to convert:
 - 6 cycles longer than 12 months
 - 1 cycle exactly 12 months
 - 5 cycles less than 12 months
- Briefed to Senior Staff in April '04



Transition to New Cycle

Former Cycle		Transition Cycle
Nov 1 – Oct 31	11/01/03-10/31/04 (12)	11/01/03-04/30/05 (18)
Dec 1 – Nov 30	12/01/03-11/30/04 (12)	12/01/03-04/30/05 (17)
Jan 1 – Dec 31	01/01/04-12/31/04 (12)	01/01/04-04/30/05 (16)
Feb 1 – Jan 31	02/01/03-01/31/04 (12)	02/01/04-04/30/05 (15)
Mar 1 – Feb 29	03/01/03-02/29/04 (12)	03/01/04-04/30/05 (14)
Apr 1 – Mar 31	04/01/03-03/31/04 (12)	04/01/04-04/30/05 (13)
May 1 – Apr 30	05/01/03-04/30/04 (12)	05/01/04-04/30/05 (12)
Jun 1 – May 31	06/01/03-05/31/04 (12)	06/01/04-04/30/05 (11)
Jul 1 – Jun 30	07/01/03-06/30/04 (12)	07/01/04-04/30/05 (10)
Aug 1 – Jul 31	08/01/03-07/31/04 (12)	08/01/04-04/30/05 (9)
Sep 1 – Aug 31	09/01/03-08/31/04 (12)	09/01/04-04/30/05 (8)
Oct 1 – Sep 30	10/01/03-09/30/04 (12)	10/01/04-04/30/05 (7)



Transition Scenarios

If your appraisal cycle was 1 October 2003 – 30 September 2004

1. Complete the '03 – '04 appraisal using the two-level system
2. Set new elements and standards for '04 – '05
3. New cycle will be 1 October 2004 – 30 April 2005
4. Rating given next April will be based on 7 months performance, and summary rating will be on the three-level system

If your appraisal cycle was 1 January 2004 – 31 December 2004

1. Extend the '04 appraisal cycle to 30 April 2005
2. Closeout the rating on the old plan by discussing the rating, “closing out” that appraisal
3. Set new elements and standards
4. Rating given next April will be based on 16 months of performance, with a summary rating on the three-level system, considering 12 months of performance under previous system



Service Credit in Reduction-in-Force

- Employees receive service credit for performance based on an average of summary ratings for the past three years
- Performance credit is added to years of service
- “Meets Expectations” and the new “Meets or Exceeds Expectations” ratings add 12 years each; “Distinguished” will add 20 years
- Example, an employee rated as “Meets . . .” for the past 2 years and a “Distinguished” for the cycle ending April 2005 would be credited in June 2005 with $(12+12+20=44, \text{ divided by } 3 = 14.67)$ 14.67 years of credit for performance.



Performance Awards and QSI's

- Must at least meet or exceed expectations on all elements to be eligible
- Any failure to meet an element eliminates possibility of performance recognition – could receive incentive award
- QSI eligibility limited to “Distinguished” summary level
 - 5 CFR 531.504(a)



Agency Plan for System Assessment

- Measurable outcomes
 - Appraisals perceived as fair and accurate
 - System makes meaningful distinctions in performance
 - System supports the Agency's Awards and Recognition Program
- Assessment methods
 - Review summary rating level distribution
 - Review and analyze performance award distribution
 - Employee and supervisor feedback through focus groups and surveys



Summary of Important Changes

Old System	New System
<u>Rating of Record Levels</u> Meets Fails to Meet	Distinguished Meets or Exceeds Fails to Meet
<u>Element Ratings</u> Meets Exceeds	Significantly Exceeds Meets or Exceeds Fails to Meet
<u>Appraisal Cycle</u> Various	One NASA cycle May 1 – Apr 30
<u>Level of Approval</u> Two levels of management approve rating of “Fails to Meet”	Two levels of management approve rating of “Fails to Meet” and “Distinguished”



Summary of Important Changes II

Old System	New System
<u>Elements</u> Only Critical Elements	Critical & Non-Critical Elements
<u>Performance Assessment for Final Rating</u> Employee Input Optional	Employee Input Required & Documented With the Rating
<u>QSI's</u> QSI's for "Meets" w/ Justification	QSI's for "Distinguished" only



Performance Plans

- Plans for Non-SES Supervisors and Employees
- Employee plan – may designate elements critical or non-critical and adjust standards through performance indicators
- Every plan must have at least one critical element
- Both plans may have additional elements and standards added
- Forms available in informed version at:
https://extranet.hq.nasa.gov/nef/user/form_search.cfm